

Message Text

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SS-15 USIA-15 AGR-10 STR-04 FRB-01 XMB-04 TAR-01

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TO SECSTATE WASHDC 5558

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USMISSION OECD PARIS

AMEMBASSY ROME

UNCLAS SECTION 1 OF 4 USUN 299

E.O. 11652: N/A

TAGS: UNDP, AID

SUBJ: 21ST UNDP GOVERNING COUNCIL - STATEMENT BY AMBASSADOR

MOYNIHAN

FOLLOWING IS THE PREPARED TEXT OF A STATEMENT DELIVERED
TO THE UNITED NATIONS DEVELOPMENT PROGRAMME GOVERNING
COUNCIL ON JANUARY 27, 1976: BY AMBASSADOR MOYNIHAN:

IT IS A GREAT PLEASURE FOR ME TO LEAD THE UNITED STATES
DELEGATION TO THIS SESSION OF THE GOVERNING COUNCIL. I SHALL
NOT REPEAT WHAT HAS ALREADY BEEN SAID HERE BY MEMBERS OF MY
DELEGATION CONCERNING THE PARTICULAR IMPORTANCE OF THIS SESSION,
OUR BEST WISHES TO MEMBERS OF THE BUREAU, OR THE HIGH REGARD
IN WHICH WE HOLD THE NEW ADMINISTRATOR OF THE PROGRAMME. I
SHOULD LIKE, HOWEVER, TO EXTEND TO BRADFORD MORSE MY PERSONAL
WISHES FOR GREAT SUCCESS IN EXECUTING THE HEAVY RESPONSIBILITIES
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OF HIS NEW POSITION.

THE UNITED STATES DELEGATION HAS BEEN DEEPLY IMPRESSED BY ONE
FEATURE OF THE COUNCIL'S DELIBERATIONS THUS FAR. WE HAVE
NOTED A REMARKABLE COINCIDENCE OF VIEWS ON THE VITAL ROLE PLAYED

BY THE UNDP, ON THE NECESSITY TO OVERCOME PRESENT PROBLEMS
IN A CONSTRUCTIVE MANNER, AND ON MOST, IF NOT YET ALL, OF
THE SPECIFIC STEPS THAT MUST BE TAKEN IN THE COMMON INTEREST.

WE HAVE ALSO NOTED, IN THE DISCUSSIONS IN THIS COUNCIL, A
NUMBER OF POSITIVE REFERENCES TO THE SEVENTH SPECIAL SESSION
OF THE GENERAL ASSEMBLY LAST FALL. I AM GLAD THAT THIS HAS
BEEN THE CASE BECAUSE THAT SESSION, IN THE VIEW OF MY
GOVERNMENT, WAS A PARTICULARLY SIGNIFICANT ONE IN THE HISTORY
OF THE UNITED NATIONS SYSTEM. WITH YOUR INDULGENCE I SHOULD
LIKE TO REVIEW BRIEFLY SOME OF THE PROGRESS WHICH THE
INTERNATIONAL COMMUNITY HAS ACHIEVED SINCE THAT TIME IN
REGARD TO ECONOMIC DEVELOPMENT AND INTERNATIONAL ECONOMIC
COOPERATION. I BELIEVE THIS MIGHT BE HELPFUL IN TERMS OF
BROADENING THE PERSPECTIVES FOR OUR DISCUSSION OF UNDP'S
PLANS AND RESOURCE PROSPECTS FOR THE NEXT FIVE YEAR CYCLE.

THE SEVENTH SPECIAL SESSION TOOK PLACE UNDER CIRCUMSTANCES
WHICH WERE WIDELY REGARDED AS INAUSPICIOUS AND EVEN ALARMING.
MANY OF THE DEVELOPED COUNTRIES WERE SUFFERING FROM AN
ECONOMIC RECESSION AND THE DEVELOPING COUNTRIES IN GENERAL
WERE FACED WITH THE MOST SEVERE BALANCE OF PAYMENTS PROBLEMS
IN RECENT MEMORY. PROJECTIONS INDICATED THAT THE DEVELOPING
WORLD WOULD BE IN DEFICIT IN 1975 BY MORE THAN \$35 BILLION.
ALTHOUGH BILATERAL AND MULTILATERAL AID ALONG WITH DIRECT
INVESTMENT WOULD FINANCE A LARGE PORTION OF THE DEFICIT,
THERE WAS RIGHTFUL CONCERN ABOUT THE SUSTAINABILITY OF THE
BORROWING FROM INTERNATIONAL CAPITAL MARKETS WHICH WOULD
BE NEEDED TO MAKE UP THE REMAINDER. IT WAS FEARED THAT SOME
COUNTRIES WOULD BE FORCED TO REDUCE THEIR IMPORTS DRASTICALLY
AND TO CUT BACK THEIR DEVELOPMENT EFFORTS.

AS WE APPROACHED THE SEVENTH SPECIAL SESSION, MY GOVERNMENT
HAD A NUMBER OF OBJECTIVES. LIKE OTHER GOVERNMENTS, WE
SOUGHT TO CHANGE THE ATMOSPHERE FOR DISCUSSION OF THE WORLD'S
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PRESSING ECONOMIC ISSUES FROM ONE OF CONFRONTATION TO ONE
OF COOPERATION.

WE SOUGHT TO CHANGE THE FORMS AND THE SUBSTANCE OF THE
DISCUSSIONS FROM IDEOLOGY TO THE CONSIDERATION OF PRACTICAL
ACTIONS. AND, IN PARTICULAR, WE SOUGHT TO PRESENT CONCRETE
AND PRACTICAL INITIATIVES TO DEAL WITH THE BASIC PROBLEMS
FACING THE DEVELOPING WORLD.

MY GOVERNMENT FOR ITS PART REGARDS THE SEVENTH SPECIAL SESSION, AND RESOLUTION 3362 WHICH EMERGED FROM IT, AS OF FUNDAMENTAL IMPORTANCE IN LAYING THE FOUNDATION AND SETTING THE AGENDA FOR MAJOR CHANGES IN INTERNATIONAL ECONOMIC RELATIONSHIPS AND, ABOVE ALL, IN THE INTERNATIONAL COMMUNITY'S APPROACH TO DEVELOPMENT. OF THE NUMEROUS MATTERS TREATED BY THAT SESSION, THE UNITED NATIONS DEVELOPMENT PROGRAMME IS CERTAINLY ONE OF THE MOST IMPORTANT, GIVEN THE CONTRIBUTIONS IT CAN MAKE TO BETTERING CONDITIONS IN SO MANY COUNTRIES, ESPECIALLY THE LEAST FAVORED AMONG US. WE THEREFORE TAKE VERY SERIOUSLY THE NUMEROUS PROBLEMS AND CHALLENGES WHICH HAVE BEEN DISCUSSED IN THIS COUNCIL IN RECENT DAYS. MY DELEGATION HAS ALREADY OUTLINED THE U.S. POSITION ON PREVIOUS AGENDA ITEMS IN SOME DETAIL AND I WILL NOT REPEAT THOSE REMARKS. I SHOULD LIKE TO STRESS ONCE MORE, HOWEVER, THE IMPORTANCE MY GOVERNMENT ATTACHES TO THE ADOPTION OF WISE DECISIONS AND THE EXERCISE OF COMPETENT MANAGEMENT WHICH WILL PLACE THE UNDP ON A SOUND FINANCIAL BASIS AS IT ENTERS ITS SECOND CYCLE. IT IS ESSENTIAL THAT SUCH DECISIONS, HOWEVER PAINFUL, TAKE ACCOUNT OF THE INTERESTS OF THE INTERNATIONAL COMMUNITY AS A WHOLE.

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THE UNITED NATIONS DEVELOPMENT PROGRAMME CONSTITUTES ONE PART OF THE MUCH BROADER PROGRAM OF ACTION WHICH EMERGED FROM THE SEVENTH SPECIAL SESSION AND RESOLUTION 3362. I HAVE BEEN DEEPLY GRATIFIED TO SEE THAT THE DESIGN LAID OUT IN THAT RESOLUTION IS STARTING TO BECOME REALITY THROUGH CONSTRUCTIVE NEGOTIATIONS IN NUMEROUS INTERNATIONAL FORUMS.

SOME OF THE FIRST ACTIONS IN THIS REGARD WERE REVIEWED BY THE UNITED STATES REPRESENTATIVE IN THE STATEMENT WHICH HE MADE TO THE SECOND COMMITTEE OF THE GENERAL ASSEMBLY ON NOVEMBER 20, BARELY TWO MONTHS AFTER ADOPTION OF RESOLUTION 3362. LET ME RECALL JUST A FEW OF THE DEVELOPMENTS WHICH HE MENTIONED. HE POINTED OUT THAT THE INTERNATIONAL MONETARY FUND WAS ACTIVELY CONSIDERING VARIOUS PARTS OF SECRETARY KISSINGER'S PROPOSAL FOR A DEVELOPMENT SECURITY FACILITY DESIGNED TO PROTECT DEVELOPING COUNTRIES AGAINST SEVERE FLUCTUATIONS IN THEIR EXPORT EARNINGS; THAT NEGOTIATIONS

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WERE IN COURSE ON THE ESTABLISHMENT OF AN INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT; THAT THE INTERNATIONAL WHEAT COUNCIL HAD BEGUN THE DISCUSSION OF WORLD FOOD RESERVES; THAT COMMODITY AGREEMENT NEGOTIATIONS WERE IN PROCESS OR HAD BEEN COMPLETED FOR SEVERAL IMPORTANT COMMODITIES; AND THAT THE MULTILATERAL TRADE NEGOTIATIONS IN GENEVA WERE CONSIDERING SEVERAL TYPES OF SPECIAL TREATMENT FOR DEVELOPING COUNTRIES. MANY OF THESE MATTERS ARE OF COURSE UNDER CONTINUING NEGOTIATION AND WILL REMAIN ON THE TABLE FOR SOME TIME.

NOW, ONLY FIVE MONTHS AFTER THE SPECIAL SESSION, THERE HAVE BEEN MAJOR DEVELOPMENTS WHICH I THINK SHOULD BE BROUGHT TO THE ATTENTION OF THE GOVERNING COUNCIL AND THE GOVERNMENTS HERE REPRESENTED.

THIS MONTH'S MEETING IN JAMAICA OF THE INTERIM COMMITTEE OF THE INTERNATIONAL MONETARY FUND HAS BEEN A SIGNIFICANT MILESTONE IN THE CONTINUING PROCESS OF CONSTRUCTING NEW COOPERATIVE RELATIONSHIPS BETWEEN DEVELOPING AND DEVELOPED COUNTRIES. AT THIS MEETING THE FINANCE MINISTERS ATTENDING COMPLETED A SERIES OF MEASURES ON INTERNATIONAL MONETARY REFORM, INCLUDING PROVISIONS LEGALIZING THE CURRENT MORE FLEXIBLE EXCHANGE RATE ARRANGEMENTS, INCLUDING FLOATING, AND REDUCING THE MONETARY ROLE OF GOLD. THESE REFORM MEASURES ESTABLISH A COMMON BASIS FOR THE PURSUIT OF STABILITY IN OUR ECONOMIES AND THE OPERATION OF THE INTERNATIONAL MONETARY SYSTEM TOWARDS THIS END. AS IS WIDELY RECOGNIZED, GROWTH WITH STABILITY

IN THE DEVELOPED WORLD IS ESSENTIAL FOR THE SUCCESSFUL
REALIZATION OF PROGRAMS IN THE DEVELOPING COUNTRIES.

THE MINISTERS ALSO TOOK, HOWEVER, THREE SPECIFIC DECISIONS
WHICH ARE DESIGNED TO PROTECT DEVELOPING COUNTRIES FROM
THE INCREASED DANGERS OF FINANCIAL COLLAPSE AND TO FOSTER THEIR
RENEWED GROWTH. TWO OF THESE FIGURED IMPORTANTLY IN RESOLUTION
3362.

THE FIRST OF THESE DECISIONS DEALT WITH THE SPECIAL IMF
TRUST FUND FOR THE DEVELOPING COUNTRIES WHICH ARE MOST
IN NEED; A SECOND WITH LIBERALIZATION OF THE IMF'S COMPENSATORY
FINANCING FACILITY; AND A THIRD WITH THE EXTENSION OF IMF
CREDIT TRANCHES. THESE MEASURES ALONE WILL MAKE AVAILABLE
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AS MUCH AS \$5 BILLION IN ADDITIONAL ACCESS TO IMF RESOURCES
FOR BALANCE OF PAYMENTS FINANCING IN 1976. IT WOULD BE
DANGEROUS TO UNDERESTIMATE THE GRAVITY OF THE BALANCE OF
PAYMENTS DIFFICULTIES WHICH THE DEVELOPING COUNTRIES WILL BE
FACING THIS YEAR. WITH THE ECONOMIC RECOVERY IN THE
INDUSTRIALIZED COUNTRIES, THE DEFICITS OF THE DEVELOPING
COUNTRIES MAY BE SOMEWHAT LESS THIS YEAR THAN LAST, BUT
THEY WILL STILL BE VERY LARGE BY PRE-1974 STANDARDS.
SOURCES OF FINANCING USED LAST YEAR MAY NOT BE SUSTAINABLE IN
ALL CASES. MY GOVERNMENT BELIEVES, NEVERTHELESS, THAT THE
NEW STEPS AGREED UPON IN JAMAICA, WHEN ADDED TO THE EXISTING
BILATERAL AND MULTILATERAL FACILITIES, WILL PROVIDE SUFFICIENT
FINANCING IN THE AGGREGATE TO COVER THE 1976 BALANCE OF
PAYMENTS DEFICITS OF DEVELOPING COUNTRIES.

THE SPECIAL IMF TRUST FUND WHICH THE MINISTERS ATTENDING THE
JAMAICA MEETING AGREED TO SET IN MOTION STEMS LARGELY FROM
PROPOSALS MADE BY SECRETARIES KISSINGER AND SIMON IN LATE
1974. THE IMPORTANCE OF THIS FUND WAS REAFFIRMED BY
SECRETARY KISSINGER AT THE SEVENTH SPECIAL SESSION. IT WILL
NOW BE CREATED ON THE BASIS OF RESOURCES WHICH THE IMF WILL
OBTAIN FROM THE SALE OVER A FOUR YEAR PERIOD OF ONE SIXTH OF
THE GOLD WHICH IT HOLDS. WE ALSO HOPE THAT THE TRUST FUND
WILL RECEIVE SOME CONTRIBUTIONS FROM MEMBER COUNTRIES OF THE
IMF WHICH HAVE STRONG INTERNATIONAL RESERVE POSITIONS.
WITH SUCH FINANCING THE TRUST FUND SHOULD BE ABLE TO MAKE
LOANS ON HIGHLY CONCESSIONAL TERMS TOTALING \$500 MILLION TO
\$1 BILLION A YEAR OVER THE NEXT SEVERAL YEARS. THESE LOANS
WILL BE MADE TO COUNTRIES IN A WEAKENED BALANCE OF PAYMENTS
POSITION WHOSE PER CAPITA GNP IS UNDER \$350. THE TRUST FUND
SHOULD PROVIDE THEM WITH A SIGNIFICANT PORTION OF THE BALANCE
OF PAYMENTS FINANCING THEY NEED TO CONTINUE THEIR DEVELOPMENT
EFFORTS, WITH A MINIMAL ADDITION TO DEBT BURDENS.

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IN THE AREA OF COMPENSATORY FINANCING YOU WILL RECALL THAT THE UNITED STATES PROPOSED AT THE SEVENTH SPECIAL SESSION THE CREATION OF A DEVELOPMENT SECURITY FACILITY IN THE IMF TO MINIMIZE THE IMPACT ON DEVELOPING COUNTRIES OF SUDDEN, DOWNWARD SWINGS IN THEIR EXPORT EARNINGS. THE MOST IMPORTANT FEATURE OF THIS PROPOSAL INVOLVED A SUBSTANTIAL LIBERALIZATION OF THE EXISTING IMF COMPENSATORY FINANCING FACILITY. THE EXECUTIVE DIRECTORS OF THE IMF APPROVED THIS LIBERALIZATION LATE IN DECEMBER AND THE INTERIM COMMITTEE ENDORSED THEIR DECISION AT JAMAICA. THE CHANGES IN THAT FACILITY INVOLVE, FIRST, A LIBERALIZATION OF THE FORMULA BY WHICH EXPORT SHORTFALLS ARE CALCULATED; SECOND, A DOUBLING OF THE AMOUNT WHICH COUNTRIES CAN DRAW FROM THAT FACILITY IN A GIVEN YEAR; AND, THIRD, AN INCREASE IN THE LIMIT ON CUMULATIVE OUTSTANDING DRAWINGS. WITH THESE MODIFICATIONS, WHICH ARE NOW IN EFFECT, LOANS FROM THE COMPENSATORY FINANCING FACILITY COULD EASILY REACH \$1 BILLION

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THIS YEAR. OTHER ASPECTS OF THE U.S. DEVELOPMENT SECURITY PROPOSAL REMAIN UNDER CONSIDERATION IN THE IMF AND WE ARE HOPEFUL THAT FURTHER PROGRESS WILL BE MADE.

THE THIRD BASIC DECISION TAKEN AT JAMAICA WAS TO INCREASE BY 45 PERCENT, FOR A TEMPORARY PERIOD UNTIL A NEW ENLARGED QUOTA HAS GONE INTO EFFECT, THE NORMAL IMF DRAWING RIGHTS OF MEMBER COUNTRIES. THIS ACTION MAKES OVER \$3 BILLION ANNUALLY AVAILABLE TO DEVELOPING COUNTRIES IN ADDITIONAL FINANCING. IT SHOULD BE PARTICULARLY IMPORTANT TO DEVELOPING COUNTRIES WHICH ARE NOW RELYING ON PRIVATE CAPITAL MARKETS FOR SUBSTANTIAL BALANCE OF PAYMENTS FINANCING. SOME COUNTRIES IN THIS CATEGORY FACE THE POSSIBILITY OF SEEING THEIR ACCESS TO PRIVATE CAPITAL DIMINISH THIS YEAR. IMPROVED ACCESS TO IMF CREDIT WILL STRENGTHEN THEIR CREDIT WORTHINESS AND PROVIDE A CUSHION SHOULD ACCESS TO PRIVATE LENDING BE REDUCED. IN HIS SPEECH AT THE MEETING OF THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION IN PARIS IN DECEMBER, SECRETARY KISSINGER HAD EXPRESSED PARTICULAR CONCERN ABOUT THIS GROUP OF COUNTRIES IN THE CONTEXT OF THE LARGE BALANCE OF PAYMENTS DEFICITS WHICH DEVELOPING COUNTRIES FACE THIS YEAR.

IN ADDITION TO THE DECISIONS REACHED AT JAMAICA, PROGRESS HAS BEEN MADE ON A NUMBER OF OTHER ISSUES DEALT WITH IN RESOLUTION 3362. ONE OF THESE HAS BEEN SUPPORT FOR ESTABLISHMENT OF THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD). WHEN CREATED, IFAD SHOULD SIGNIFICANTLY AUGMENT MANY UNDP-FINANCED PROGRAMS IN THE FOOD PRODUCTIONS SECTOR AND PROVIDE, THROUGH EXISTING INSTITUTIONS, VITAL INVESTMENT CAPITAL TO INCREASE FOOD SUPPLY IN DEVELOPING COUNTRIES. THE IMPETUS FOR IFAD WAS SET IN MOTION BY THE OPEC COUNTRIES DURING THE WORLD FOOD CONFERENCE IN ROME IN 1974. AT THE SEVENTH SPECIAL SESSION THE UNITED STATES PLEDGED A CONTRIBUTION OF \$200 MILLION TO IFAD PROVIDED THE FUND SECURED TOTAL FIRM PLEDGES OF AT LEAST \$1 BILLION. THE UNITED STATES CONGRESS HAS SUBSEQUENTLY AUTHORIZED THE \$200 MILLION CONTRIBUTION WITH THIS SAME PROVISIO. MEANWHILE, SUPPORT FOR THE FUND HAS BEEN RECONFIRMED BY THE GENERAL ASSEMBLY AND A MEETING OF INTERESTED COUNTRIES IS BEING HELD IN ROME THIS WEEK IN AN EFFORT TO DECIDE ON THE ARTICLES OF AGREEMENT FOR IFAD. WE HOPE THAT FINAL AGREEMENT ON

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THIS NEW FUND CAN BE REACHED EARLY THIS YEAR. THE PRINCIPAL FACTOR NOW HOLDING IT UP IS THE LACK OF THE FIRM COMMITMENTS

WHICH ARE NEEDED TO REACH THE \$1 BILLION LEVEL. IN THIS REGARD SECRETARY GENERAL WALDHEIM HAS RECENTLY SENT MESSAGES TO MANY COUNTRIES URGING POTENTIAL DONORS, INCLUDING BOTH DEVELOPED AND DEVELOPING COUNTRIES, TO PARTICIPATE IN THIS HISTORIC VENTURE.

ONE ASPECT OF THE INTERNATIONAL TRADING SYSTEM OF PARTICULAR IMPORTANCE FOR DEVELOPING COUNTRIES HAS BEEN THE ESTABLISHMENT BY MANY INDUSTRIALIZED COUNTRIES OF A GENERALIZED SYSTEM OF PREFERENCES. AT THE SEVENTH SPECIAL SESSION WE ANNOUNCED THAT OUR GENERALIZED PREFERENCES SYSTEM WOULD GO INTO FORCE ON JANUARY 1, 1976. ON THAT DATE A SYSTEM ENCOMPASSING 2,724 TARIFF ITEMS WENT INTO EFFECT. TOTAL U.S. IMPORTS UNDER THESE TARIFF POSITIONS TOTALED \$24 BILLION IN 1974, OF WHICH DEVELOPING COUNTRIES ACCOUNTED FOR ONLY \$6 BILLION. THE NEW SYSTEM OF PREFERENCES SHOULD THUS PROVIDE SIGNIFICANT SCOPE FOR AN EXPANSION OF EXPORTS BY DEVELOPING COUNTRIES, PARTICULARLY INTO NEW PRODUCT LINES. A NUMBER OF UNDP-FINANCED PROGRAMS CONCERNING EXPORT PROMOTION SHOULD ASSIST MANY DEVELOPING COUNTRIES TO TAKE PROMPT ADVANTAGE OF THESE IMPROVED TRADING OPPORTUNITIES.

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ANOTHER INITIATIVE ON WHICH PROGRESS IS BEING MADE IS THE REPLENISHMENT OF THE INTERNATIONAL FINANCE CORPORATION. THIS IMPORTANT MEMBER OF THE WORLD BANK GROUP PLAYS AN IMPORTANT CATALYTIC ROLE IN MOBILIZING ADDITIONAL CAPITAL FOR DEVELOPMENT PURPOSES. IN HIS SPEECH LAST SEPTEMBER, SECRETARY KISSINGER PROPOSED A QUADRUPLING OF ITS RESOURCES. NEGOTIATIONS ON THIS PROPOSAL ARE MOVING AHEAD SATISFACTORILY AND WE HOPE TO REACH AGREEMENT NEXT MONTH. UNDP-FINANCED PROGRAMS CONCERNING TECHNOLOGY TRANSFER IN BOTH THE INDUSTRIAL AND FOOD PROCESSING SECTORS WILL BENEFIT FROM THIS INCREASE IN IFC RESOURCES.

MR. CHAIRMAN, ALTHOUGH PROGRESS IS ALSO BEING MADE WITH REGARD TO OTHER ISSUES WHICH WERE DEALT WITH IN THE SEVENTH SPECIAL SESSION, THOSE OF WHICH I HAVE SPOKEN APPEAR PARTICULARLY NOTEWORTHY. THESE RECENT DECISIONS WHICH HAVE EITHER BEEN IMPLEMENTED OR ARE ON THE BRINK OF IMPLEMENTATION PROVIDE UNCLASSIFIED

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A CONVINCING DEMONSTRATION THAT CONCRETE ACCOMPLISHMENTS OF VAST BENEFIT TO THE ENTIRE INTERNATIONAL COMMUNITY CAN RESULT WHEN NEGOTIATIONS ON DIFFICULT AND CONTROVERSIAL SUBJECTS LEAD NOT JUST TO THE PASSAGE OF A RESOLUTION OF THE GENERAL ASSEMBLY--BUT TO ONE WHICH REPRESENTS A GENUINE INTERNATIONAL CONSENSUS. THE UNITED STATES IS DETERMINED TO DO ITS PART TO CONTINUE THIS MOMENTUM AND TO TRANSLATE RESOLUTION 3362 FROM PRINT AND PAPER INTO DEVELOPMENT AND WELFARE.

WE BELIEVE THAT FURTHER PROGRESS IN THIS REGARD CAN AND SHOULD BE MADE WITH THE HELP OF THE MEETINGS OF THE VARIOUS COMMISSIONS OF THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION WHICH WILL BEGIN IN PARIS NEXT MONTH. THE FOURTH MEETING OF THE UN CONFERENCE ON TRADE AND DEVELOPMENT WHICH WILL CONVENE IN NAIROBI IN MAY CAN ALSO PROVIDE THE OCCASION FOR FORWARD MOVEMENT.

MAY I NOW TAKE THE LIBERTY, MR. PRESIDENT, TO JUMP FROM THE GENERAL TO THE SPECIFIC AND TO FOCUS MY CONCLUDING REMARKS ON THE AGENDA ITEM BEFORE US THIS MORNING.

THE UNITED STATES RECOGNIZES THE DIFFICULTIES AND RISKS INVOLVED IN TRYING TO REACH DEFINITE CONCLUSIONS REGARDING THE UNDP'S INDICATIVE PLANNING FIGURES FOR 1977-1981 WHILE WE STILL FACE SO MANY UNCERTAINTIES REGARDING OUR PRESENT SEVERE LIQUIDITY PROBLEM. ON THE OTHER HAND, WE CANNOT BE UNMINDFUL THAT IT HAS TAKEN THREE YEARS OF INTENSIVE EFFORT

TO BRING US TO WHERE WE ARE TODAY IN TERMS OF COUNCIL DECISIONS REGARDING THE CRITERIA, METHODOLOGY AND OVERALL PRIORITIES GOVERNING THE PROPOSED ALLOCATION OF UNDP RESOURCES DURING THE NEXT FIVE YEAR PERIOD. CLEARLY, WE SHOULD NOT PERMIT THE PRESENT LIQUIDITY CRISIS TO BLOCK ALL FURTHER PROGRESS TOWARDS DECISIONS ON THE SECOND CYCLE. I FURTHER UNDERSTAND THAT THE GOVERNMENTS OF DEVELOPING COUNTRIES NEED SOME IMMEDIATE GUIDANCE ON THE RELATIVE PORTION TO BE ALLOCATED TO THEM IN THE NEXT CYCLE IN ORDER TO COMPLETE WORK ON INDIVIDUAL COUNTRY PROGRAMS OVER THE NEXT SIX TO TWELVE MONTHS. I THEREFORE SUGGEST THAT WE SHOULD STRIKE A BALANCE BETWEEN THESE DIFFICULTIES. THIS SESSION COULD APPROVE, IN PRINCIPLE, THE FORMULATIONS SET FORTH IN DP/166, ADD 1, PREFERABLY COLUMN 1 OF THE ANNEX TABLE.

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TO AN ENSUING COUNCIL WOULD BE LEFT THE TASK OF FINAL APPROVAL OF THESE INDICATIVE PLANNING FIGURES.

AT A LATER SESSION WE SHOULD HAVE A SOMEWHAT BETTER UNDERSTANDING OF THE RESOURCES LIKELY TO BE AVAILABLE AT THE OUTSET OF THE SECOND CYCLE. WE SHOULD ALSO HAVE BEFORE US BY THEN STATUS REPORTS ON IMPROVEMENTS IN THE MANAGEMENT OF UNDP'S RESOURCES, INCLUDING A MORE EFFICIENT SYSTEM OF ACCOUNTING FROM THE FIELD AND EXECUTING AGENCIES. IN THE MEANTIME, HOWEVER, OUR APPROVAL IN PRINCIPLE AT THIS 21ST SESSION WOULD BE A POSITIVE GESTURE TO HARD-PRESSED RECIPIENT COUNTRIES, TO THE HARD-WORKING UNDP STAFF, AND TO THE CONSTELLATION OF OTHER DEVELOPMENTAL INSTITUTIONS WHOSE ACTIVITIES ARE PARTLY GEARED TO THOSE OF THE UNDP.

MR. PRESIDENT, THE UNDP, WITH ITS PROGRAMS OF TECHNICAL ASSISTANCE REACHING IN SOME WAY INTO EVERY DEVELOPING COUNTRY OF THE WORLD, IS A VITAL PART OF THAT LARGER PROGRAM FOR WORLDWIDE DEVELOPMENT WHICH WAS SET FORTH IN RESOLUTION 3362. THE DECISIONS OF THIS AND FUTURE GOVERNING COUNCILS WILL AFFECT THE POSSIBILITIES FOR AN IMPROVEMENT OF LIFE FOR COMING GENERATIONS. THEY MUST THEN BE BASED ON A REALISTIC APPRECIATION OF FACTS AND PRACTICAL POSSIBILITIES WITH REGARD TO INTERNATIONAL DEVELOPMENT. OUR SIGHTS MUST NOT BE SET UNREALISTICALLY HIGH, BUT NEITHER SHOULD WE BE PARALYZED BY THE PRESENT FINANCIAL DIFFICULTIES. MY GOVERNMENT INTENDS TO CONTINUE ITS STRONG SUPPORT FOR THE IMPORTANT DEVELOPMENT ACTIVITIES BEING CARRIED OUT BY AND THROUGH THE UNDP AS PART OF THE WIDER EFFORT TO SUBSTITUTE DIALOGUE FOR STERILE DEBATE AND SUSTAINED DEVELOPMENT FOR VAIN HOPES AND DISILLUSIONMENT.

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From: USUN NEW YORK
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